

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Greeley Post Office
Greeley, Iowa

Docket No. A2012-65

ORDER AFFIRMING DETERMINATION

(Issued February 22, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On November 14, 2011, Genny Bennett, on behalf of the Oneida Nameplate Co., Inc. (Petitioner), filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Greeley, Iowa post office (Greeley post office).² The Final Determination to close the Greeley post office is affirmed.³

II. PROCEDURAL HISTORY

On November 30, 2011, the Commission established Docket No. A2012-65 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.⁴

On November 29, 2011, the Postal Service filed the Administrative Record with the Commission.⁵ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁶

² Petition for Review received from Genny Bennett regarding the Greeley, IA Post Office 52050, November 14, 2011 (Petition).

³ The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

⁴ Order No. 1007, Notice and Order Accepting Appeal and Establishing Procedural Schedule, November 30, 2011.

⁵ The Administrative Record is attached to the United States Postal Service Notice of Filing, November 29, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Greeley, IA Post Office and Establish Service by Rural Route Service (Final Determination).

⁶ United States Postal Service Comments Regarding Appeal, January 6, 2012 (Postal Service Comments).

Petitioner filed a participant statement supporting its Petition.⁷ On January 24, 2012, the Public Representative filed comments.⁸

III. BACKGROUND

The Greeley post office provides retail postal services and service to 85 post office box customers. Final Determination at 2. One hundred forty-two (142) delivery customers are served through this office. *Id.* The Greeley post office, an EAS-11 level facility, provides retail service from 8:45 a.m. to 12:00 p.m. and 12:30 to 3:45 p.m., Monday through Friday, and 8:45 a.m. to 9:15 a.m. on Saturday. *Id.* The lobby is accessible 24 hours a day, Monday through Saturday. *Id.*

The postmaster position became vacant on January 1, 2010, when the Greeley postmaster retired. *Id.* A non-career officer-in-charge (OIC) was installed to operate the office. *Id.* at 2, 10. Retail transactions average 43 transactions daily (60 minutes of retail workload). *Id.* at 2. Office receipts for the last three years were \$40,659 in FY 2008; \$37,754 in FY 2009; and \$36,981 in FY 2010. *Id.* There are no permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates savings of \$33,099 annually. *Id.* at 10.

After the closure, retail services will be provided by the Dyersville post office located approximately 20 miles away.⁹ Delivery service will be provided to cluster box units (CBUs) by rural carrier through the Dyersville post office.¹⁰ The Dyersville post office is an EAS-15 level office, with retail hours of 8:30 a.m. to 4:00 p.m., Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday. Final Determination at 2. Ninety post office boxes are available at the Dyersville post office. *Id.*

⁷ Participant Statement received from Oneida Nameplate Co., Inc., December 20, 2011 (Participant Statement).

⁸ Public Representative Comments, January 24, 2012 (PR Comments).

⁹ *Id.* at 2. MapQuest estimates the driving distance between the Greeley and Dyersville post offices to be approximately 21.6 miles (31 minutes driving time).

¹⁰ Postal Service Comments at 2; see, e.g., Final Determination at 4, Concern Nos. 10, 18, 19.

Retail services will also be available at the Edgewood post office located approximately 6 miles away.¹¹ The Edgewood post office is an EAS-15 level office, with retail hours of 8:30 a.m. to 11:00 a.m. and 1:00 p.m. to 3:00 p.m., Monday through Friday, and 9:30 a.m. to 10:30 a.m. on Saturday. *Id.* One hundred seventy post office boxes are available at the Edgewood post office. The Postal Service will continue to use the Greeley name and ZIP Code. *Id.* at 7, Concern No. 44.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the Greeley post office. Petitioner contends that rural route service will not provide a maximum degree of effective and regular postal services to the Greeley community and local businesses. Petition at 1. The Participant Statement reiterates these concerns. Participant Statement at 2.

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Greeley post office. Postal Service Comments at 2. The Postal Service believes the appeal raises one main issue: the effect on postal services. *Id.* at 1. The Postal Service asserts that it has given this and other statutory issues serious consideration and concludes that the determination to discontinue the Greeley post office should be affirmed. *Id.* at 2, 10-11.

The Postal Service explains that its decision to close the Greeley post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options;
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

¹¹ *Id.* at 2. MapQuest estimates the driving distance between the Greeley and Edgewood post offices to be approximately 6.5 miles (10 minutes driving time).

Id. at 4. The Postal Service contends that it will continue to provide regular and effective postal services to the Greeley community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, effect on the Greeley community, economic savings, and effect on postal employees. *Id.* at 10.

Public Representative. The Public Representative states that the Postal Service has followed applicable procedures, that the decision to close the Greeley post office is not arbitrary or capricious, and that the Postal Service's decision is supported by substantial evidence. PR Comments at 2-3. She argues that the Postal Service complied with the notice and posting requirements of 39 U.S.C. §404(d)(1). *Id.* She also contends that the Postal Service appears to have considered the pertinent factors of 39 U.S.C. §404(d)(2). *Id.* Therefore, the Public Representative concludes that the Final Determination of the Postal Service to close the Greeley post office should be affirmed. *Id.*

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the

Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 6, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Greeley post office. Final Determination at 2. A total of 227 questionnaires were distributed to delivery customers of the Greeley post office. *Id.* Other questionnaires were made available at the retail counter of the Greeley post office. *Id.* A total of 74 questionnaires were returned. *Id.* On May 23, 2011, the Postal Service held a community meeting at the Greeley Commercial Club to address customer concerns. *Id.* Thirty customers attended. *Id.*

The Postal Service posted the proposal to close the Greeley post office with an invitation for comments at the Greeley, Edgewood, and Dyersville post offices from July 5, 2011 through September 5, 2011. *Id.* at 2. The Final Determination was posted at the same three post offices from October 3, 2011 through November 4, 2011. Administrative Record, Item No. 49.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Greeley, Iowa is an incorporated community located in Delaware County, Iowa. Administrative Record, Item No. 16. The community is administered politically by the Mayor and City Council. *Id.* Police protection is provided by Delaware County. *Id.* Fire protection is provided by the Greeley Fire Department. *Id.* The community is comprised of a combination of retirees, commuters, the self-employed, farmers, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. *See generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Greeley community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Greeley post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 7, 10.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Greeley postmaster retired on January 1, 2010 and that an OIC has operated the Greeley post office since then. Final Determination at 2, 10. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.* at 10.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Greeley post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Greeley customers. Postal Service Comments at 5. It asserts that customers of the closed Greeley post office may obtain retail services at the Dyersville post office located 20 miles away or the Edgewood post office located 6 miles away. Final Determination at 2. Delivery service will be provided to CBUs by rural carrier through the Dyersville post office. See note 10, *supra*. The Greeley post office box customers may obtain Post Office Box service at the Dyersville post office, which has 90 boxes available, or the Edgewood post office, which has 170 boxes available. Final Determination at 2.

Petitioner argues that rural route service will not provide a maximum degree of effective and regular postal services. Petition at 1; Participant Statement at 2. She contends that if the Greeley post office closes her internet-based company will no longer be able to conveniently ship Express Mail, and her Express Mail orders will not ship the same day. *Id.* Petitioner challenges the closing of the Greeley post office on the basis that Express Mail overnight delivery is a guaranteed service. Participant Statement at 2.

The Postal Service responds that it does not guarantee that there will be a location at which Express Mail can be deposited in every community. Postal Service Comments at 6. The Postal Service contends that the discontinuance of the Greeley post office will not affect the Express Mail Next Day Delivery service guarantee. *Id.* at 7. It asserts that Petitioner can receive this delivery guarantee by presenting Express Mail items to the rural carrier serving the Greeley community, or by taking Express Mail items to the Edgewood, Manchester, or Dyersville post offices before the time specified by the applicable postmaster. *Id.*

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$33,099. Final Determination at 10. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$0) minus the cost of replacement service (\$11,180). *Id.*

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Greeley post office postmaster retired on January 1, 2010. *Id.* at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67 United States Postal Service Comments Regarding Appeal, October 24, 2011, at 10; and Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 13. Furthermore, notwithstanding that the Greeley post office has been staffed by an OIC for approximately 2 years, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Greeley post office is affirmed.

It is ordered:

The Postal Service's determination to close the Greeley, Iowa post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Greeley post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster retired on January 1, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

In addition, the Postal Service has designated the administrative receiving office for Greeley postal customers as Dyersville, approximately 21.6 driving miles from the Greeley post office. The designation of the administrative receiving office can be significant to local postal customers because that will be the location where undeliverable or accountable items are retrieved, where some parcels must be deposited, or certain other "in-person" business is conducted. Without a more complete

explanation of how removing the applicable retail facility to such a distant point will affect the community, the Postal Service has not satisfied its obligation to consider the effect of such closing or consolidation on the community served by the post office, as required by 39 U.S.C. § 404(d)(2)(a)(i).

I am also concerned about the distances between the Greeley post office and those that are offered as substitutes. Several members of Congress have publicly expressed concern that post office that are 10 miles apart should be maintained in rural areas. The Postmaster General has expressed interest in finding other ways to serve such distant post offices rather than close them altogether. This closing should be reconsidered within the context of the policies now being developed regarding distant rural post offices.

Recent legislation has been introduced precluding the closure of a post office in cases where the nearest post office is more than 10 miles away. And the Commission in its recent Advisory Opinion (Docket No. N2011-1) found that using optimization modeling, the Postal Service could make better choices about which offices to close that would assure adequate access in rural areas.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Greeley, Iowa and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since January 2010, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

In addition, the Postal Service states that “[u]pon implementation of the final determination, delivery and retail services will be provided by rural route delivery to cluster box units [CBUs] administered by the Dyersville Post Office.” Postal Service Comments at 2. However, the Administrative Record is unclear if CBUs will be installed as it does not include any cost calculation for the installation of CBUs.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Greeley post office and should be remanded.

Nanci E. Langley